Between 2006 and 2013, Kansas farmers saw record levels of net farm income. Since that point, grain prices declined significantly resulting in net farm income levels similar to the 1980’s farm crisis. Projected grain prices remained low for future years, resulting in projections of negative net farm income for most farm families. This environment of lower prices caused many producers and their families to feel extreme financial and mental stress. This project addressed this concern by providing an individualized analysis for producers using FINPACK.

Four workshops were held about financial risk management where producers heard numerous options available to them and then began the FINPACK process. Following these workshops, individualized in-depth training was provided with additional resources to supplement an ongoing farm management program with 54 farms developing a plan to help them with their farm financial situation.

At the completion of the FINPACK training these 54 producers had analyzed and developed a comprehensive balance sheet with strategies for debt repayment. They also analyzed and developed a cash flow statement with plans for future loan negotiations with their lenders. After completion of these documents producers evaluated the profitability and risk of their different farm enterprises, lease arrangements and the level of their farm machinery. With this knowledge in hand producers are better able to understand the risks they face with their operation going forward and eventually be able to develop and implement a financial plan to help them navigate the predicted low grain prices in coming years.

After attending these information-packed workshops a few producers decided that the best solution for them was to leave farming while most found that keeping better records, tightening spending, and being more aware of their cost of production and capital expenditures would help them tremendously.

“I am now keeping more detailed records and understand how these budgets help me make more informed decisions.” – Kansas producer
“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. ERME is committed to funding results, providing transparent accountability, and encouraging collaboration. View the accomplishments of all funded projects on our website. http://ExtensionRME.org

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**ERME Regional Centers**

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**NORTHEAST EXTENSION RISK MANAGEMENT EDUCATION**
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NERME.org

**SOUTHERN EXTENSION RISK MANAGEMENT EDUCATION**
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**WESTERN EXTENSION RISK MANAGEMENT EDUCATION**
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